

## Message Text

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FM AMEMBASSY MADRID

TO SECSTATE WASHDC 825

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

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C O N F I D E N T I A L SECTION 1 OF 4 MADRID 4939

USEEC

E.O. 11652: GDS

TAGS: PINT, SP

SUBJECT: THE PSOE

REF: MADRID 6520-76; 7195-76; 8990-76; 9118-76; 9347-76;  
9341-76; 0042; 3115

SUMMARY: THE PSOE, WHILE ACKNOWLEDGING THE ELECTORAL  
VICTORY OF SUAREZ' UCD, HAS, WITH CONSIDERABLE JUSTIFI-  
CATION, CLAIMED THE "POLITICAL" TRIUMPH FOR ITSELF.  
THIS CABLE ANALYZES THE PARTY'S SURPRISINGLY IMPRESSIVE  
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SECOND PLACE SHOWING (28 PERCENT OF THE VOTE, 34 PERCENT  
OF THE LOWER HOUSE SEATS), SUMMARIZES ITS POSITION ON  
MAJOR ISSUES, AND EXAMINES THE LIKELY CONSEQUENCES OF  
THIS ELECTORAL SUCCESS, BOTH ON THE PSOE'S PROGRAM AND  
TACTICS. END SUMMARY.

1. THE FORMULA FOR ELECTORAL SUCCESS. AFTER PLACING ITS

OWN HOUSE IN RELATIVE ORDER AT ITS DECEMBER CONGRESS (REFTELS, THE PSOE TURNED TO ELECTORAL PREPARATIONS AND TACTICS WELL BEFORE MUCH OF ITS COMPETITION, AND PARTICULARLY SUAREZ' UCD, HAD EVEN ORGANIZED ITSELF. EMBRYONIC PROVINCIAL-LEVEL ORGANIZATIONS WERE ESTABLISHED, TO BE INFUSED DURING THE CAMPAIGN WITH SUBSTANTIAL RESOURCES SECURED FROM THE GERMAN SPD, VENEZUELAN AD, AND DOMESTIC BANK LOANS. AS THE CAMPAIGN PERIOD APPROACHED, MANY OF THESE ORGANIZATIONS WERE THEN TAKEN OVER BY MORE EXPERIENCED MADRID-BASED PSOE NITABLES, WHO FANNED OUT OVER THE COUNTRY TO SUCCESSFULLY HEAD UP LESSER PROVINCIAL LISTS IN THE ELECTION (E.G., YANEZ IN BADAJOZ; PECES-BARBA IN VALLADOLID; BUSTELO IN PONTEVEDRA; ZAYAS IN TERUEL; ETC.).

2. THE PARTY THEN FASHIONED ITS ELECTORAL EFFORT AROUND:  
--HEFTY BOSES OF DEDICATION AND INFECTIOUS ENTHUSIASM COMBINED WITH EFFECTIVE CAMPAIGN ORGANIZATION AND ADMINISTRATION;  
--THE PSOE'S IMAGE AS THE SOCIALIST PARTY OF THE FUTURE, BUILT LARGELY AROUND THE UBIQUitous PRESENCE OF THE CHARISMATIC AND PERIPATETIC SECGEN FELIPE GONZALEZ, EITHER IN THE FLESH  
R  
PEEB  
OUT FROM MILLIONS OF PARTY POSTERS;  
AUUAN IPSHGLY CREDIBLE CLAIM, BACKED BY NUMEROUS PUBLHVHED POLLS, TO BE THE ONLY REAL ALTERNATIVE TO TMDGO UCD  
("THE ONLY USEFUL VOTES - PSOE OR UCDZNECAME#5HE CRYLV#AND  
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--ITS ABILITY TO CAPITALIZE ON THE MASSIVE NONIDEOLOGICAL VOTE, OF THOSE .( DESIRED CHANGE AND/OR SIMPLY WNATED TO VOTE FOR DEMOCRACY AND AGAINST THE REGIME AND THE PAST, WHILE AT THE SAME TIME REJECTING ANY POLITICAL ADVENTURES OR EXTREME SOLUTIONS.

3. A CENTRIST CAMPAIGN. IN THE LAST ANALYSIS, THE MODERATE THRUST OF THE PSOE'S CAMPAIGN EFFORT MADE THE DIFFERENCE BETWEEN THE 20 PERCENT OF THE VOTE WHICH PARTY LEADERS PREDICTED AND THE 28 PERCENT WHICH THEY WON. EXCEPT IN MASS RALLIES, WHERE THE TONE TENDED TO BE MORE RADICAL, THE PSOE'S CONSISTENT TACK DURING ALMOST ALL OF THE CAMPAIGN -- TV APPEARANCES, PUBLIC MEETINGS, SWINGS THROUGH SMALL TOWNS AND VILLAGES -- WAS TO CONCENTRATE LARGELY ON THREE THEMES: THE PSOE'S DEMOCRATIC CREDENTIALS AND ITS SUPPORT FOR A DEMOCRATIC CONSTITUTION; THE PARTY'S COMMITMENT TO SOCIAL JUSTICE AND ECONOMIC IMPROVEMENTS; AND ITS ABILITY, BECAUSE OF ITS WESTERN EUROPEAN TIES, TO MAKE SPAIN A RESPECTED MEMBER OF THE INTER-NATIONAL COMMUNITY.

4. DICTATORSHIP-DEMOCRACY. BY DEFINING THE ELECTION AS A CHOICE BETWEEN "DICTATORSHIP AND DEMOCRACY," AND DEFERRING CONSIDERATION OF THE ISSUE "SOCIALISM OR CAPITALISM," THE PSOE WAS ABLE TO RETAIN

THE INITIATIVE THROUGHOUT THE CAMPAIGN AND TO PROTECT ITSELF EFFECTIVELY FROM ANY PARTICULARLY DAMAGING CRITICISM. NOWHERE WAS THIS CLEARER THAN IN THE PARTY'S POSTURE TOWARD SUAREZ' UCD, WHOSE DEMOCRATIC ANTECEDENTS IT CONSISTENTLY IMPUGNED, BUT WITH WHOSE VAGUE PROMISES OF ECONOMIC REFORM IT SCARCELY TOOK ISSUE. THIS, THEN, WAS AN UNCOMPLICATED AND APPEALING MESSAGE WHICH WAS COMPREHENSIBLE TO THE MOST APOLITICAL AND UNINFORMED VOTER. SUCH DIVISIVE -- AND COMPLICATED -- ISSUES AS NATIONALIZATIONS, WORKER SELF-MANAGEMENT (AUTOGESTION), OR ANY IN-DEPTH CONSIDERATION OF THE PSOE'S FOREIGN POLICY POSTURE WERE SIMPLY SIDE-STEPPED.

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C O N F I D E N T I A L SECTION 2 OF 4 MADRID 4939

USEEC

5. CYNICISM OR REALISM? DEPENDING ON YOUR POINT OF VIEW:  
--THE PSOE, WHICH DEFINED ITSELF AT ITS DECEMBER  
CONGRESS AS A "REVOLUTIONARY, MARXIST, CLASS PARTY," ACCURATELY  
READ THE MODERATION OF THE ELECTORATE AND CYNICALLY  
MISLED IT AS TO THE PARTY'S LONGTERM INTENTIONS; OR

--THE PSOE'S ELECTORAL MODERATION, A FRUITFUL ACT OF POLITICAL REALISM, CONSTITUTED AN IMPORTANT STEP IN THE PARTY'S EVOLUTION FROM A SECTARIAN, RADICAL CLANDESTINE GROUPING TO A HETEROGENEOUS MASS SOCIALIST PARTY WITH A VIABLE SOCIAL DEMOCRATIC WING, A PRAGMATIC APPROACH TO POLITICS, AND BROAD POLITICAL APPEAL.  
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--IN OUR VIEW, WHILE THERE CLEARLY ARE TROUBLESOME ELEMENTS OF THE FORMER CHARGE HERE, THE PARTY'S CAMPAIGN EFFORT AND ELECTORAL PERFORMANCE DO INDEED APPEAR TO REPRESENT A WATERSHED IN THE YOUTHFUL PSOE'S MODERN DEVELOPMENT INTO A MORE WESTERN EUROPEAN-STYLE SOCIALIST PARTY.

6. THE ROLE OF GONZALEZ. WE HAVE NEVER ACCEPTED CHARACTERIZATIONS OF PSOE SECGEN FELIPE GONZALEZ AS EITHER A DANGEROUS RADICAL OR A MAN OF MODEST CAPACITY, AND HIS RECENT PERFORMANCE HAS GONE FAR TO DEMOLISH BOTH CHARGES. (IN CONTRAST, SOME OF SUAREZ' PRINCIPAL ADVISORS HAVE CONSISTENTLY MISJUDGED GONZALEZ AND DOWNGRADED THE PSOE'S POTENTIAL.) IN THE CONTEXT OF SPANISH SOCIALISM, GONZALEZ CLEARLY IS A MODERATE -- DEFINITELY A MAN OF THE LEFT DEDICATED TO A PROFOUND RESTRUCTURING OF SPANISH SOCIETY, BUT ALSO A CONVINCED DEMOCRAT AND A PRAGMATIC POLITICIAN FOR WHOM MARXISM PROVIDES A POINT OF DEPARTURE, NOT A RIGID CONCEPTUAL FRAMEWORK. BOTH IN PUBLIC AND PRIVATE, GONZALEZ HAS BEEN CONSISTENTLY IMPRESSIVE AND HIS PERSONAL COMAPIGN BLITZ, IN ADDITION TO BEING A REMARKABLE FEAT OF ENDURANCE, WAS A POLITICAL TOUR DE FORCE. OF COURSE, GONZALEZ AND THE REST OF THE PSOE LEADERSHIP (ALL 199 EXECUTIVE COMMITTEE MEMBERS WERE ELECTED TO THE NEW PARLIAMENT) STILL MUST PROVE THEMSELVES IN THE "NEW" POLITICS PRODUCED BY THE ELECTIONS, BUT ON THE BASIS OF PAST PERFORMANCE THEY MAY BE UP TO THE TASK. PRIME MINISTER SUAREZ AND GONZALEZ CLEARLY ARE THE "STARS" OF THE NEW GENERATION OF SPANISH POLITICIANS, AND THE TWO MAY WELL DOMINATE THE SPANISH POLITICAL SCENE FOR YEARS TO COME. THE PARTY WILL INEVITABLY BE FACED WITH CHOICES, AND IN THOSE CASES IT IS LIKELY TO REAFFIRM ITS IDENTITY AS A LEFT PARTY WITH A CENTERLEFT WING, NOT A CENTER-LEFT PARTY WITH A LEFT WING. WE DO NOT BELIEVE THAT THE ELECTION RESULTS HAVE BASICALLY ALTERED THE PARTY'S FUNDAMENTAL  
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MENTAL PERCEPTION OF ITSELF AS THE MOTOR FOR THE FUNDAMENTAL, ALBEIT EVOLUTIONARY AND DEMOCRATIC, TRANSFORMATION OF SPANISH SOCIETY  
,

ALTHOUGH ITS LARGE MODERATE (AND FLOATING) CONSTITUENCY WILL  
ENGENDER STOCK-TAKING ON TACTICS AND OFFERS, SHOULD MATTERS GE  
WELL HERE, THE PROSPECT FOR AN EVENTUAL SEA CHANGE IN PARTY ATTITUDES

.  
NONETHELSS, THE PSOE WILL CONTINUE TO MANIFEST WHAT MAY PROVE TO  
BE AN EXAGGERATED CONCERN OVER THE COMMUNISTS' TROUBLEMAKING CAPACITY  
ON THEIR LEFT, AND PERHAPS EVEN TO THE ASSERTION THAT "TO OUR  
LEFT, NO ONE."

7. COPING WITH SUCCESS. THE PSOE'S ABILITY TO GOBBLE UP THE LION'S  
SHARE OF THE LEFT AND CENTER-LEFT VOTE SUPPORTS EMPIRICALLY, AT  
LEAST FOR THE TIME BEING, THE LEADERSHIP'S LONG-STANDING CLAIM  
TO BRACKET SOCIAL DEMOCRACY AND NON-LENINIST MARXISM. BUT EFFECT-  
IVELY STAKING OUT THIS CLAIM TO SUCH A BROAD SLICE OF THE SPANISH  
ELECTORATE WILL REQUIRE AN ADROIT BALANCING ACT ON THE LEADERSHIP'S  
PART, AS IT ATTEMPTS TO FORESTALL COMMUNISTS INCURSIONS ON ITS  
LEFT AND ENCROACHMENTS BY WHAT IS CERTAIN TO BE A REFORMIST-  
ORIENTED SUAREZ GOVT.-WHICH ALSO READS THE ELECTORAL STATISTICS.

8. THE PARTY'S PARLIAMENTARY POSTURE. THERE WILL BE TWO  
BROAD SETS OF QUESTIONS TO BE ADDRESSED IN THE NEW CORTES:  
THOSE INVOLVED IN ELABORATING THE NEW CONSTITUTION AND THOSE  
DEALING WITH GOVERNANCE GENERALLY. IN THE FORMER CASE, THERE  
ARE LIKELY TO BE BROAD AREAS OF CONVENGENCE BETWEEN THE PSOE AND  
THE SUAREZ GOVT, AS BOTH HAVE PUT THEMSELVES ON RECORD IN FAVOR OF  
A SIMPLE, FLEXIBLE AND RELATIVELY OPEN-ENDED DOCUMENT. IN THE LATTER  
CASE, THE PSOE WILL WALK A LINE BETWEEN APPEARING TO BE INTRAN-  
SIGENT (AND POSSIBLY ALIENATING ITS MODERATE CONSTITUTENTS) AND  
APPEARING TO HAVE BEEN CO-OPTED BY THE SUAREZ GOVT (AND POSSIBLY  
RADICALIZING ITS MORE LEFTIST VOTERS). IT WILL KEEP PRESSURE  
ON THE GOVT TO ENACT WHAT THE PARTY CONSIDERS NEEDED ECONOMIC AND  
SOCIAL REFORMS (THE PSOE SHARES THE GOVT'S INTEREST IN OVERCOMING  
THE COUNTRY'S CURRENT ECONOMIC PROBLEMS), VOTING WITH SUAREZ IN  
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THOSE CASES WHERE GOVT INITIATIVES ARE CONSIDERED SUFFICIENTLY  
PROGRESSIVE, WHILE OPPOSING HIM QUITE VOCALLY WHEN THEY ARE NOT (OF  
COURSE, THE PSOE'S DEFINITION OF "SUFFICIENTLY PROGRESSIVE"  
IS CERTAIN TO DIFFER FROM THE GOVT'S).

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USEEC

9. THE PSOE ON THE ISSUES. THE PSOE'S NUMBERS AND LIKELY  
PARLIAMENTARY DISCIPLINE WILL MEAN THAT THE PARTY WILL PLAY  
AN IMPORTANT ROLE IN THE CONSIDERATION OF CONSTITUTIONAL  
QUESTIONS AND ISSUES OF DAY-TO-DAY GOVERNANCE ALIKE.  
BRIEFLY, THE PARTY HAS TAKEN THE FOLLOWING POSITIONS ON MAJOR  
ISSUES (SEE ALSO REFTELS):  
--THE CONSTITUTION. THE PSOE, FULLY COMMITTED TO WESTERN DEMOCRACY  
(E.G., ALTERNATION IN POWER) AND PARTICULARLY CONCERNED ABOUT  
HUMAN RIGHTS, SEEKS A COMPLETELY REWRITTEN, DEMOCRATIC CONSTITUTION.  
THE PARTY IS EXPLICITLY REPUBLICAN, BUT DOES NOT DESIRE TO  
MAKE THE MONARCHY AN ISSUE. IT WILL, HOWEVER, SEEK TO STRIP THE  
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KING OF GOVERNING POWERS. WHILE THE LEADERSHIP HAS STATED FOR SOME  
TIME THAT IT COULD LIVE WITH A MONARCHY WHICH HAD IDENTIFIED ITSELF  
WITH DEMOCRATIZATION, THE PSOE'S PARLIAMENTARIANS MAY WELL VOTE  
AGAINST OR ABSTAIN ON "MONARCHICAL" CLAUSES, EVEN THOUGH THEY WILL  
VOTE AGAINST OR ABSTAIN ON "MONARCHICAL" CLAUSES, EVEN THOUGH THEY  
WILL VOTE FOR THE CONSTITUTION AS A WHOLE AND, CONSEQUENTLY, ACCEPT  
THE MONARCHY, AS FOR THE STRUCTURE OF THE STATE, THE PSOE SUPPORTS  
A "FEDERAL SOLUTION" OF THE REGIONAL QUESTION, ALTHOUGH GONZALEZ  
HAS SAID THAT A DEVOLUTION OF POWER TO THE REGIONS WITHIN A  
UNITARY STATE MAY BE A USEFUL COMPROMISE. THE PARTY WILL SEEK

TO ENSURE THAT THE CONSTITUTION IS SUFFICIENTLY FLEXIBLE AND OPEN-ENDED TO PERMIT THE ELABORATION OF STATUTES OF REGIONAL AUTONOMY.

--ECONOMIC POLICY (SEE ALSO MADRID A-81 OF MAY 27, 1977). OVER THE SHORT TERM, THE PSOE ADVOCATES ESSENTIALLY REFORMIST MEASURES, SUCH AS FISCAL OVERHAUL AND EFFORTS TO REDUCE UNEMPLOYMENT WITHOUT EXACERBATING INFLATION. OVER THE LONGER TERM, HOWEVER, THE PARTY IS ON RECORD, ALBEIT VAGUELY, AS SUPPORTING THE NATIONALIZATION OF MAJOR BANKS AND CERTAIN KEY INDUSTRIES AND SERVICES, THE INSTITUTION OF AVAGUELY DEFINED WORKER SELF-MANAGEMENT (AUTOGESTION) IN MEDIUM-SIZED FIRMS WHILE PRESERVING PRIVATE OWNERSHIP OF SMALLER BUSINESSES, FUNDAMENTAL AGRARIAN REFORM, AND THE "CORRECTION" OF THE FREE-MARKET MECHANISM THROUGH CENTRAL PLANNING, ALTHOUGH WITH "DECENTRALIZED DEMOCRATIC DECISIONMAKING." THE PSOE WOULD SEEK CLOSELY TO CONTROL FOREIGN INVESTMENT AND TO CHANNEL IT INTO AREAS OF GREATEST "SOCIAL" VALUE. ANY NATIONALIZATIONS WOULD BE ACCOMPANIED BY "FAIR" COMPENSATION.

--FOREIGN POLICY. THE PSOE IS A EUROPE-ORIENTED PARTY, UNLIKE OTHER SMALLER SPANISH SOCIALIST GROUPINGS WHICH ARE MORE ORIENTED TOWARD THE MEDITERRANEAN AND THE THIRD WORLD. IT SUPPORTS SPANISH ACCESSION TO THE EC, BUT OPPOSES ENTRY INTO NATO, PLUMPING INSTEAD FOR A NEUTRAL SPAIN WITHIN THE WESTERN EUROPEAN FAMILY WITH SPECIAL RELATIONS WITH THE ARAB WORLD AND LATIN AMERICA. OVER TIME, IT ADVOCATES THE CREATION OF AN INDEPENDENT EUROPEAN ARMED FORCE.

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VIEWING THE US-SPANISH MILITARY RELATIONSHIP AS LARGELY RESPONSIBLE FOR FRANCO'S CONTINUANCE IN POWER AFTER 1953 (AND HARBORING CONSIDERABLE RESENTMENT OF THE U.S. AMONG ITS PARTY ACTIVISTS), THE PSOE OPPOSES THE CONTINUATION OF U.S. BASE RIGHTS IN SPAIN. PARTY LEADERS HAVE STATED FROM SOME TIME IN PRIVATE, AND GONZALEZ SAID LAST WEEK IN PUBLIC, THAT GIVEN THE CHOICE BETWEEN THE BASES AGREEMENT AND NATO MEMBERSHIP, THEY WOULD TAKE NATO MEMBERSHIP. WE SEE THIS AS AN INDICATION THAT THE PSOE LEADERSHIP IS RAPIDLY COMING TO GRIPS WITH MAJOR ISSUES, LIKE NATO, IN WHICH IT HAD NOT EXPECTED TO PLAY AN IMPORTANT ROLE UNTIL THE SURPRISING ELECTION RETURNS DEMONSTRATED OTHERWISE. THIS APPEARS TO BE A SIGNAL THAT THEY MIGHT MUTE THEIR OPPOSITION TO NATO IF THE STATUS OF THE BASES COULD BE RESOLVED TO THEIR SATISFACTION (I.E., REMOVED ALTOGETHER OR PERHAPS TRANSFORMED INTO "NATO BASES), ALTHOUGH WE DO NOT BELIEVE PSOE LEADERS THEMSELVES HAVE THOUGHT THIS THROUGH COMPLETELY YET. PSOE INTERNATIONAL SECRETARY LUIS YANEZ TOLD EMBOFF JUNE 22 THAT HE DID NOT ANTICIPATE ANY FORMAL CHANGE IN THE PARTY'S STATED OPPOSITION TO NATO MEMBERSHIP, AND THAT ANY SUCH CHANGE, TO BE EFFECTED, WOULD REQUIRE APPROVAL BY THE PARTY'S

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CONGRESS OR A SPECIALLY CALLED CONGRESS TO CONSIDER THE ISSUE. IN ANY CASE, THE PSOE HAS MADE IT CLEAR THAT IT WILL ACCEPT THE WILL OF THE MAJORITY ON THE BASES AND NATO ISSUES. ELSEWHERE, THE PARTY ADVOCATES SPANISH RECOGNITION OF ISRAEL AND A NEGOTIATED SETTLEMENT IN THE MIDDLE EAST.

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10. OTHER TASKS. AT THE SAME TIME THAT THE PSOE ADDRESSES THESE  
IMPORTANT QUESTIONS IN THE NEW CORTES, IT ALSO WILL BE HARD  
AT WORK ON A NUMBER OF OTHER FRONTS:  
--IN SPITE OF ITS SUCCESSES, THE PARTY'S ORGANIZATIONAL EFFORTS  
HAVE BEEN FAR OUTSTRIPPED BY THE AVALANCHE OF NEW MEMBERS (NOW  
NUMBERING IN EXCESS OF 120,000) AND THE MANY MORE WHO WILL BE  
ATTRACTED BY SUCCESS. PARTY LEADERS HAVE BEEN QUCIK TO RECOGNIZE  
THE NECESSITY FOR DOING CONSIDERABLE GRASS ROOTS ORGANIZATIONAL WORK,  
BOTH TO REFINE THE PSOE'S ELECTORAL MACHINERY AND TO ENMESH THE  
PARTY IN THE FABRIC OF RURAL AREAS, SMALL TOWNS, AND CITY  
NEIGHBORHOODS ACROSS SPAIN. IN THIS REGARD, THE PARTY ALSO WILL BE  
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IN STIFF COMPETITION WITH THE COMMUNISTS FOR ORGANIZED WORKING CLASS SUPPORT AS THE LABOR SECTOR OPENS UP IN COMING MONTHS. THE ELECTION RESULTS, HOWEVER, GIVE THE UGT A MAJOR BOOST IN ITS STRUGGLE TO CATCH UP AND SURPASS THE COMMUNIST-DOMINATED WORKERS' COMMISSION.

--THE PSOE ALSO WILL BE FOCUSSED ON COMING LOCAL AND PROVINCIAL ELECTIONS (DATE STILL UNDETERMINED), WHERE THEY SEE AN EQUALLY STRONG SHOWING AS ESSENTIAL TO ROUNDING OUT THEIR NATIONAL ELECTORAL SUCCESS AND AS THE NECESSARY STEPPING-STONE TO FURTHER INCREASING THEIR ELECTORAL

APPEAL. HERE THE QUESTION OF ELECTORAL TACTICS, SPECIFICALLY WHETHER TO ALLY WITH THE COMMUNISTS MAY BE AN IMPORTANT BAROMETER OF WHETHER THE PSOE WILL OPT TO FOLLOW THE FRENCH MODEL OR OPT TO GO IT ALONE IN THE NEXT NATIONAL ELECTIONS.

--FINALLY, THE PARTY WILL AGAIN BE ADDRESSING THE ISSUE OF SOCIALIST UNITY. ALTHOUGH THE PSOE STEAMROLLED ITS SOCIALIST OPPOSITION, A UNIFIED SOCIALIST PARTY, PARTICULARLY WITH THE D'HONDT SYSTEM'S BUILT-IN REWARDS FOR SUCCESS, WOULD HAVE PERFORMED CONSIDERABLY MORE IMPRESSIVELY, SINCE THE TIerno GALVAN-LED PSP/FPS COALITION, THOUGH IT WON ONLY 6 LOWER HOUSE SEATS, GARNERED OVER 750,000 VOTES NATIONWIDE. IN VIEW OF ITS OWN SHOWING, HOWEVER, THE PSOE IS NOT LIKELY TO BE OVERLY GENEROUS WITH THE OLD PROFESSOR, PARTICULARLY IN THE WAKE OF TIerno'S POST-ELECTORAL PETULANCE WHEN HE CLAIMED HIS 4PERCENT WERE "QUALITY" VOTES, LEAVING TIerno WITH WHAT HE VIEWS AS THE HOBSON'S CHOICE OF BEING "ABSORBED" OR GOING HIS OWN WAY.

11. THE PSOE'S APPROACH TO POWER. BECAUSE THE PARTY LEADERSHIP IS STILL ABSORBING THE ELECTION RESULTS, IT IS EXTREMELY DIFFICULT TO LOOK TOO FAR AHEAD IN TERMS OF THE MANNER IN WHICH THEY CONCEPTUALIZE SPANISH POLITICS. THE LEADERSHIP CLEARLY WAS PREOCCUPIED ELECTION NIGHT WHEN THERE SEEMED A POSSIBILITY THAT THEY WOULD COME OUT WITH THERE SEEMED A POSSIBILITY THAT THEY WOULD COME OUT WITH

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A PARLIAMENTARY PLURALITY AND BE FORCED TO ATTEMPT TO GOVERN. BUT THEY DO HOLD AS AN ARTICLE OF FAITH THAT THEY WILL BE CAPABLE OF DOING SO--AND THAT THE COUNTRY AND THE MILITARY WILL BE PREPARED TO ACCEPT THEM -- WITHIN A FEW YEARS.

12. THEIR SURPRISING SHOWING CERTAINLY HAS RULED OUT FOR SOME TIME TO COME AN "ITALIAN" EVENTUALITY. THE RESULTS EVEN OPEN UP THE FUTURE POSSIBILITY THAT THE PSOE COULD GOVERN ALONE, ALTHOUGH STRONG SECTORS OF THE PARTY -- BUT NOT NECESSARILY GONZALEZ -- CONTINUE TO LEAN TOWARD AN EVENTUAL UNITED LEFT GOVERNING COALITION WITH THE NOW DEMONSTRABLY WEAK COMMUNISTS (THE FRENCH MODEL) IN ORDER TO PROTECT THEIR LEFT FLANK. GONZALEZ, WHO HAS A HEALTHY DISTRUST OF THE PCE, HAS CONSISTENTLY HELD THAT ANY ALLIANCE WITH THEM AT AN EARLY STAGE WOULD BE POLITICALLY POLARIZING,

WHILE HOLDING THAT OPTION OPEN FOR THE LONGER TERM. WHETHER SUCH AN ALLIANCE EVENTUATES WILL DEPEND ON A NUMBER OF FACTORS, INCLUDING THE PSOE LEADERSHIP'S READING OF LIKELY POLARIZING EFFECTS (AND THE ATTITUDE OF THE MILITARY). DEPENDING ON FUTURE ELECTION RESULTS, OF COURSE, EVEN A GERMAN-STYLE GRAND COALITION BETWEEN UCD AND PSOE COULD BE IN THE CARDS. BUT IN VIEW OF THE PSOE'S CURRENT APPROACH TO DOMESTIC AND ECONOMIC ISSUES AND ITS LIKELY TACTICAL APPROACH TO SEEKING POWER AND GOVERNING, WE CONTINUE TO BELIEVE THAT THE EXAMPLE OF MITTERAND AND THE FRENCH SOCIALISTS CONTINUES TO HOLD THE GREATEST ATTRACTION TO MOST OF THE PARTY. IN THE FINAL ANALYSIS, HOWEVER, THE OUTCOME IS LIKELY, LIKE THESE FIRST ELECTION RETURNS THEMSELVES, TO BE SOMETHING UNIQUELY SPANISH. STABLER

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## Message Attributes

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**Review Markings:**  
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Declassified/Released  
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EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009